

**RULES
OF
TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
INSURANCE DIVISION**

**CHAPTER 0780-1-52
MORTALITY TABLES**

TABLE OF CONTENTS

0780-1-52-.01	Annuity Mortality Tables	0780-1-52-.04	2001 CSO Mortality Table
0780-1-52-.02	Smoker/Non-smoker Mortality Tables	0780-1-52-.05	Separability
0780-1-52-.03	Mixed Gender Mortality Tables	0780-1-52-.06	Effective Date

0780-1-52-.01 ANNUITY MORTALITY TABLES.

- (1) Purpose - The purpose of this rule is to recognize the following mortality tables for use in determining the minimum standard of valuation for annuity and pure endowment contracts: the 1983 Table "a", the 1983 Group Annuity Mortality (1983 GAM) Table, the Annuity 2000 Mortality Table, and the 1994 Group Annuity Reserving (1994 GAR) Table.
- (2) Definitions.
 - (a) As used in this rule "1983 Table 'a' " means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners.
 - (b) As used in this rule "1983 GAM Table" means that mortality table developed by the Society of Actuaries Committee on Annuities and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners.
 - (c) As used in this rule "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task force and shown on pages 866-867 of Volume XLVII of the Transactions of the Society of Actuaries (1995), and adopted as a recognized mortality table for annuities in January 1998 by the National Association of Insurance Commissioners.
 - (d) As used in this rule "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 240 of Volume XLVII of the Transactions of the Society of Actuaries (1995), and adopted as a recognized mortality table for annuities in January 1998 by the National Association of Insurance Commissioners.
- (3) Individual Annuity or Pure Endowment Contracts.
 - (a) Except as provided in subsections (b) and (c) of this section, the 1983 Table "a" is recognized and approved as an individual annuity mortality table for valuation and, at the option of the company, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after March 13, 1978.
 - (b) Except as provided in subsection (c) of this section, either the 1983 Table "a" or the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after July 1, 1985.

(Rule 0780-1-52-.01, continued)

- (c) Except as provided in subsection (d) of this section, the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 2004.
- (d) The 1983 Table "a" without projection is to be used for determining the minimum standards of valuation for an individual annuity or pure endowment contract issued on or after January 1, 2004, solely when the contract is based on life contingencies and issued to fund periodic benefits arising from:
 - 1. Settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions;
 - 2. Settlements involving similar actions such as worker's compensation claims; or
 - 3. Settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments.
- (4) Group Annuity or Pure Endowment Contracts.
 - (a) Except as provided in subsections (b) and (c) of this section, the 1983 GAM Table, the 1983 Table "a" and the 1994 GAR Table are recognized and approved as group annuity mortality tables for valuation and, at the option of the company, any one of these tables may be used for purposes of valuation for an annuity or pure endowment purchased on or after March 13, 1978, under a group annuity or pure endowment contract.
 - (b) Except as provided in subsection (c) of this section, either the 1983 GAM Table or the 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after July 1, 1985, under a group annuity or pure endowment contract.
 - (c) The 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after January 1, 2004, under a group annuity or pure endowment contract.
- (5) Application of the 1994 GAR Table

In using the 1994 GAR Table, the mortality rate for a person age x in year $(1994 + n)$ is calculated as follows:

$$q_x^{1994+n} = q_x^{1994} (1 - AA_x)^n$$

where the q_x^{1994} and AA_x s are as specified in the 1994 GAR Table.

Authority: T.C.A. §§56-1-403, 56-1-403(b)(2)(C) and (E), and 56-2-301. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed October 17, 2003; effective December 31, 2003.

0780-1-52-.02 SMOKER/NON-SMOKER MORTALITY TABLES.

- (1) Purpose - The purpose of rule 0780-1-52-.02 is to permit the use of mortality tables that reflect differences in mortality between smokers and non-smokers in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits for plans of insurance with separate premium rates for smokers and non-smokers.
- (2) Definitions.

(Rule 0780-1-52-.02, continued)

- (a) As used in rule 0780-1-52-.02, “1980 CSO Table, with or without Ten-Year Select Mortality Factor” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Non-forfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Mortality Table, with or without Ten-Year Select Mortality Factors. The same select factors will be used for both smokers and non-smokers tables.
 - (b) As used in rule 0780-1-52-.02, “1980 CET Table” means that mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individuals Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Non-forfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.
 - (c) As used in rule 0780-1-52-.02, “1958 CSO Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Non-forfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Standard Ordinary Mortality Table.
 - (d) As used in rule 0780-1-52-.02, “1958 CET Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Non-forfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Extended Term Insurance Table.
 - (e) As used in rule 0780-1-52-.02, the phrase “smoker and non-smoker mortality tables” refers to the mortality tables with separate rates of mortality for smokers and non-smokers derived from the tables defined in (a) through (d) of this section.
 - (f) As used in rule 0780-1-52-.02, the phrase “composite mortality tables” refers to the mortality tables defined in (a) through (d) of this section as they were originally published with rates of mortality that do not distinguish between smokers and non-smokers.
- (3) Alternate Tables.
- (a) For any policy of insurance delivered or issued for delivery in this state after the operative date of T.C.A. §56-7-401(h)(11), for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in section 4 of rule 0780-1-52-.02,
 - 1. the 1958 CSO Smoker and Non-smoker Mortality Tables may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 - 2. the 1958 CET Smoker and Non-smoker Mortality Tables may be substituted for the 1980 CET Table, for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits; Provided that for any category of insurance issued on female lives with minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits determined using the 1958 CSO or 1958 CET Smoker and Non-smoker Mortality Tables, such minimum values may be calculated according to an age not more than six years younger than the actual age of the insured; Provided further that the substitution of the 1958 CSO or 1958 CET Smoker and Non-smoker Mortality Tables is available only if made for each policy of insurance on a policy form delivered or issued for delivery on or

(Rule 0780-1-52-.02, continued)

after the operative date for that policy form and before a date not later than January 1, 1989.

- (b) For any policy of insurance delivered or issued for delivery in this state after the operative date of T.C.A. §56-7-401(h)(11), for that policy form, at the option of the company and subject to the conditions stated in section 4 of rule 0780-1-52-.02,
 - 1. the 1980 CSO Smoker and Non-smoker Mortality Tables, with or without Ten-Year Select Mortality Factors, may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 - 2. the 1980 CET Smoker and Non-smoker Mortality Tables may be substituted for the 1980 CET Table for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits.
- (4) Conditions - For each plan of insurance with separate rates for smokers and non-smokers an insurer may:
 - (a) use composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits,
 - (b) use smoker and non-smoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by T.C.A. §56-1-403(d)(5), and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up non-forfeiture benefits, or
 - (c) use smoker and non-smoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits.

Authority: T.C.A. §§56-1-403, 56-2-301, and 56-7-401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed October 17, 2003; effective December 31, 2003.

0780-1-52-.03 MIXED GENDER MORTALITY TABLES.

- (1) Purpose - The purpose of rule 0780-1-52-.03 is to permit individual life insurance policies to provide the same cash surrender values and paid-up non-forfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.
- (2) Definitions.
 - (a) As used in rule 0780-1-52-.03, “1980 CSO Table, with or without Ten-Year Select Mortality Factors” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Non-forfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors.
 - (b) As used in rule 0780-1-52-.03, “1980 CSO Table (M), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for male lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.

(Rule 0780-1-52-.03, continued)

- (c) As used in rule 0780-1-52-.03, “1980 CSO Table (F), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for female lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.
 - (d) As used in rule 0780-1-52-.03, “1980 CET Table” means that mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Non-forfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.
 - (e) As used in rule 0780-1-52-.03, “1980 CET Table (M)” means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.
 - (f) As used in rule 0780-1-52-.03, “1980 CET Table (F)” means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.
 - (g) As used in this rule, “1980 CSO and 1980 CET Smoker and Non-smoker Mortality Tables” means the mortality tables with separate rates of mortality for smokers and non-smokers derived from the 1980 CSO and 1980 CET Mortality tables by the Society of Actuaries Task Force on Smoker/Non-smoker Mortality and adopted by the NAIC in December 1983.
- (3) Rule - For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of T.C.A. §56-7-401(h)(11), for that policy form,
- (a) a mortality table which is a blend of the 1980 CSO Table (M) and the 1980 CSO Table (F) with or without Ten-Year Select Mortality Factors may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
 - (b) a mortality table which is of the same blend as used in (a) but applied to form a blend of the 1980 CET Table (M) and the 1980 CET Table (F) may at the option of the company be substituted for the 1980 CET Table, for use in determining minimum cash surrender values and amounts of paid-up non-forfeiture benefits.

The following tables will be considered as the basis for acceptable tables:

1. 100% Male 0% Female for tables to be designated as the “1980 CSO-A” and “1980 CET-A” tables.
2. 80% Male 20% Female for tables to be designated as the “1980 CSO-B” and “1980 CET-B” tables.
3. 60% Male 40% Female for tables to be designated as the “1980 CSO-C” and “1980 CET-C” tables.
4. 50% Male 50% Female for tables to be designated as the “1980 CSO-D” and “1980 CET-D” tables.
5. 40% Male 60% Female for tables to be designated as the “1980 CSO-E” and “1980 CET-E” tables.
6. 20% Male 80% Female for tables to be designated as the “1980 CSO-F” and “1980 CET-F” tables.

(Rule 0780-1-52-.03, continued)

7. 0% Male 100% Female for tables to be designated as the “1980 CSO-G” and “1980 CET-G” tables.

Tables 1. and 7. are not to be used with respect to policies issued on or after July 1, 1985, except where the proportion of persons insured is anticipated to be 90 % or more of one sex or other except for certain policies converted from group insurance. Such conversions issued on or after January 1, 1986, must use Mortality Tables based on the blend of lives by sex expected for such policies if such group conversions are considered as extensions of the Norris decision. This consideration has not been clearly defined by court or legislative action in all jurisdictions. Table 1 is the same as 1980 CSO Table (M) and 1980 CET Table (M) and Table 7. is the same as 1980 CSO Table (F) and 1980 CET Table (F).

(4) Alternate Rule

In determining minimum cash surrender values and amounts of paid-up non-forfeiture benefits for any policy of insurance on the life of either a male or female insured on a form of insurance with separate rates for smokers and non-smokers delivered or issued for delivery in this state after the operative date of T.C.A. §56-7-401(h)(11), for that policy form, in addition to the mortality tables that may be used according to Section 3 of rule 0780-1-52-.03,

- (a) a mortality table which is a blend of the male and female rates of mortality according to the 1980 CSO Smoker Mortality Table, in the case of lives classified as smokers, or the 1980 CSO Non-smoker Mortality Table, in the case of lives classified as non-smokers, with or without Ten-Year Select Mortality Factors, may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and
- (b) A mortality table which is of the same blend as used in (a) but applied to form a blend of the male and female rates of mortality according to the corresponding 1980 CET Smoker Mortality Table or 1980 CET Non-smoker Mortality Table may at the option of the company be substituted for the 1980 CET Table.

The following blended mortality tables will be considered acceptable:

SA:	100% Male	0% Female smoker tables designated as “1980 CSO-SA” and “1980 CET-SA” Tables.
SB:	80% Male	20% Female smoker tables designated as “1980 CSO-SB” and “1980 CET-SB” Tables.
SC:	60% Male	40% Female smoker tables designated as “1980 CSO-SC” and “1980 CET-SC” Tables.
SD:	50% Male	50% Female smoker tables designated as “1980 CSO-SD” and “1980 CET-SD” Tables.
SE:	40% Male	60% Female smoker tables designated as “1980 CSO-SE” and “1980 CET-SE” Tables.
SF:	20% Male	80% Female smoker tables designated as “1980 CSO-SF” and “1980 CET-SF” Tables.
SG:	0% Male	100% Female smoker tables designated as “1980 CSO-SG” and “1980 CET-SG” Tables.
NA:	100% Male	0% Female non-smoker tables designated as “1980 CSO-NA” and “1980 CET-NA” Tables.
NB:	80% Male	20% Female non-smoker tables designated as “1980 CSO-NB” and “1980 CET-NB” Tables.
NC:	60% Male	40% Female non-smoker tables designated as “1980 CSO-NC” and “1980 CET-NC” Tables.

(Rule 0780-1-52-.03, continued)

ND:	50% Male	50% Female non-smoker tables designated as “1980 CSO-ND” and “1980 CET-ND” Tables.
NE:	40% Male	60% Female non-smoker tables designated as “1980 CSO-NE” and “1980 CET-NE” Tables.
NF:	20% Male	80% Female non-smoker tables designated as “1980 CSO-NF” and “1980 CET-NF” Tables.
NG:	0% Male	100% Female non-smoker tables designated as “1980 CSO-NG” and “1980 CET-NG” Tables.

Tables SA, SG, NA, and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be 90% or more of one sex or the other.

- (5) Unfair Discrimination - It shall not be a violation of T.C.A Title 56, Chapter 8, for an insurer to issue the same kind of policy of life insurance on both sex distinct and sex neutral basis.

Authority: T.C.A. §§56-2-301 and 56-7-401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed August 28, 1989; effective October 12, 1989. Amendment filed October 17, 2003; effective December 31, 2003.

0780-1-52-.04 2001 CSO MORTALITY TABLE.

- (1) Purpose - The purpose of this subchapter is to recognize, permit and prescribe the use of the 2001 Commissioners Standard Ordinary (CSO) Mortality Table for use in determining the minimum standard of valuation and non-forfeiture benefits for life insurance policies.
- (2) Definitions. The following words and terms, when used in this regulation, shall have the following meanings, unless the context clearly indicates otherwise.
 - (a) As used in rule 0780-1-52-.04 “2001 CSO Mortality Table” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the National Association of Insurance Commissioners in December 2002. Unless the context indicates otherwise, the 2001 CSO Mortality Table includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and non-smoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.
 - (b) As used in rule 0780-1-52-.04 “2001 CSO Mortality Table (F)” means that mortality table consisting of the rates of mortality for female lives from the 2001 CSO Mortality Table.
 - (c) As used in rule 0780-1-52-.04 “2001 CSO Mortality Table (M)” means that mortality table consisting of the rates of mortality for male lives from the 2001 CSO Mortality Table.
 - (d) As used in rule 0780-1-52-.04 “Composite mortality tables” means mortality tables with rates of mortality that do not distinguish between smokers and non-smokers.
 - (e) As used in rule 0780-1-52-.04 “Smoker and non-smoker” mortality tables means those mortality tables with separate rates of mortality for smokers and non-smokers.
- (3) Application.
 - (a) At the election of the company for any one or more specified plans of insurance and subject to the conditions stated in this subchapter, the 2001 CSO Mortality Table may be used as the

(Rule 0780-1-52-.04, continued)

minimum standard for policies issued on or after January 1, 2004, and before the date specified in subsection (b) of this section to which Tennessee Code Annotated Section 56-1-403 is applicable. If the company elects to use the 2001 CSO Mortality Table, it shall do so for both valuation and non-forfeiture purposes.

- (b) Subject to the conditions stated in this regulation, the 2001 CSO Mortality Table shall be used in determining minimum standards for policies issued on and after January 1, 2009, to which Tennessee Code Annotated Section 56-1-403 is applicable.
 - (c) The minimum basis for computation of values related to extended term benefits will be the 2001 CSO Mortality Table pursuant to the requirements of this subchapter.
 - (d) The Commissioner of Commerce and Insurance adopts by reference the 2001 CSO Mortality Table. The table is available from the Actuarial Section, Tennessee Department of Commerce and Insurance, 500 James Robertson Parkway, Nashville, Tennessee 37243, or on the internet by accessing the department's website at www.state.tn.us/commerce/.
- (4) Conditions.
 - (a) For each plan of insurance with separate rates for smokers and non-smokers an insurer may use:
 - 1. Composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits;
 - 2. Smoker and non-smoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by T.C.A. §56-1-403(d)(5) and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up non-forfeiture benefits; or
 - 3. Smoker and non-smoker mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits.
 - (b) For plans of insurance without separate rates for smokers and non-smokers the composite mortality tables shall be used.
 - (c) For the purpose of determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up non-forfeiture benefits, the 2001 CSO Mortality Table may, at the option of the company for each plan of insurance, be used in its ultimate or select and ultimate form.
 - (d) When the 2001 CSO Mortality Table is the minimum reserve standard for any plan of a company, the actuarial opinion in the annual statement filed with the commissioner shall be based on an asset adequacy analysis as specified in the Actuarial Opinion and Memorandum Regulation of the Tennessee Insurance Regulations, rule 0780-1-64. A company shall be exempt from this requirement if it only does business in this state and in no other state to the extent such company has not elected to use the 2001 CSO Mortality Table.
- (5) Applicability of the 2001 CSO Mortality Table to the Valuation of Life Insurance Policies Appendix A-830 of the National Association of Insurance Commissioners Accounting Practices and Procedures Manual (the "Appendix").
 - (a) Subject to the transition dates set forth in this rule, for any report due after effectiveness hereof and in which the National Association of Insurance Commissioners Accounting Practices and

(Rule 0780-1-52-.04, continued)

Procedures Manual shall not have been amended to conform the Appendix to the 2001 CSO Mortality Table, the following principles shall apply to use of such Appendix:

1. Paragraph 3(a)(ii)(b) of the Appendix. The net level reserve premium shall be based on the ultimate mortality rates in the 2001 CSO Mortality Table.
2. Paragraph 5 of the Appendix. All calculations shall be made using the 2001 CSO Mortality Rate, and, if elected, the optimal minimum mortality standard for deficiency reserves stipulated in subsection (5)(a)4. of this regulation. The value of “ $qx+k+t-1$ ” shall be the valuation mortality rate for deficiency reserves in policy year $k+t$, but using the unmodified select mortality rates if modified select mortality rates are used in the computation of deficiency reserves.
3. Paragraph 16 of the Appendix. The 2001 CSO Mortality Table shall be the minimum standard for basic reserves.
4. Paragraph 17 of the Appendix. The 2001 CSO Mortality Table shall be the minimum standard for deficiency reserves. If select mortality rates are used, they shall be multiplied by X percent for durations in the first segment, subject to the conditions specified in Paragraph 17(c)(i) through (viii) of the Appendix. In demonstrating compliance with those conditions, the demonstrations may not combine the results of tests that utilize the 1980 CSO Mortality Table with those tests that utilize the 2001 CSO Mortality Table, unless the combination is explicitly required by regulation or necessary to be in compliance with relevant Actuarial Standards of Practice.
5. Paragraph 25(a) of the Appendix. The valuation mortality table used in determining the tabular cost of insurance shall be the ultimate mortality rates in the 2001 CSO Mortality Table.
6. Paragraph 25(d) of the Appendix. The calculations specified in Paragraph 25 of the Appendix shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
7. Paragraph 26(d) of the Appendix. The calculations specified in Paragraph 26 of the Appendix shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
8. Paragraph 27(b) of the Appendix. The calculations specified in Paragraph 27 of the Appendix shall use the ultimate mortality rates in the 2001 CSO Mortality Table.
9. Paragraph 29(a)(ii) of the Appendix. The one-year valuation premium shall be calculated using the ultimate mortality rates in the 2001 CSO Mortality Table.

- (b) Nothing in this section shall be construed to expand the applicability of the Valuation of Life Insurance Policies Model Regulation to include life insurance policies exempted under Paragraph 3(a) of the Appendix.

(6) Gender-Blended Tables.

- (a) For any ordinary life insurance policy delivered or issued for delivery in this state on and after January 1, 2004, that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is a blend of the 2001 CSO Mortality Table (M) and the 2001 CSO Mortality Table (f) may, at the option of the company for each plan of insurance, be substituted for the 2001 CSO Mortality Table for use in determining minimum cash surrender

(Rule 0780-1-52-.04, continued)

values and amounts of paid-up non-forfeiture benefits. No change in minimum valuation standards is implied by this subsection.

- (b) The company may choose from among the blended tables developed by the American Academy of Actuaries CSO Task Force and adopted by the National Association of Insurance Commissioners in December 2002. These blended tables are available from the Actuarial Section, Tennessee Department of Commerce and Insurance, 500 James Robertson Parkway, Nashville, Tennessee 37243, or the internet by accessing the department's website at www.state.tn.us/commerce/.
- (c) It shall not, in and of itself, be a violation of Tennessee Code Annotated Section 56-8-104 for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

Authority: T.C.A. §§56-1-403, 56-1-403(b)(1)(A)(iii), 56-7-401, 56-7-401(h)(8)(B)(vi), and 56-2-301. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed October 17, 2003; effective December 31, 2003.

0780-1-52-.05 SEPARABILITY. If any provision of chapter 0780-1-52 or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby.

Authority: T.C.A. §§56-2-301 and 56-7-401. **Administrative History:** Original rule filed March 29, 1985; effective July 1, 1985. Amendment filed October 17, 2003; effective December 31, 2003.

0780-1-52-.06 EFFECTIVE DATE. The effective date of chapter 0780-1-52 is July 1, 1985; provided, that amendments in sections .01 and .04 shall become effective on January 1, 2004.

Authority: T.C.A. §§56-2-301 and 56-7-401. **Administrative History:** Original rule filed October 17, 2003; effective December 31, 2003.